



DEFENSE FINANCE AND ACCOUNTING SERVICE

1931 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22240-5291

AUG 2 1999

DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
CLEVELAND CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
INDIANAPOLIS CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
KANSAS CITY CENTER

SUBJECT: Change to the DoDFMR, Volume 7A, Regarding Continued Eligibility Under Voluntary Separation Incentive (VSI) Program for Members Who Involuntarily Lose Membership in a Reserve Component. (DFAS Item #I-9)

Attached is DFAS Interim Change 27-99 to Chapter 35 of the DoDFMR, Volume 7A. This change is effective immediately.

We have evaluated your comments to the draft change to the DoDFMR, Vol 7A. The attached final version of the change includes your comments where appropriate. Assignment of an interim change is your authority to start a procedural modification, if necessary, to facilitate this change. For the Denver Center, use the attached to initiate the formal printed change to the DoDFMR and the interim change message.

Our point of contact, Mr. Roger Castillo may be contacted at DSN 327-1907 or (703) 607-1907.

for Edward Gysa
Gregory P. Bitt
Director for Finance

Attachment:
As stated

cc: DASD (MPP)(COMP)
OUSD (C) ODCFO (FC)
ODGC (F)
DFAS-DE/DG
Service Liaisons
USCG/NOAA/PHS Liaisons
MPMPO

1. Revise subparagraph 350801.F as follows:

“F. The member must accept voluntary appointment or enlistment in, or transfer to the Ready Reserve of a Reserve Component, and must continue to serve in a Reserve Component during the entire period of eligibility for VSI. If the member does not continue to serve in the Ready Reserve, the VSI installments terminate on the date of separation from the Reserve Component or transfer to the Retired Reserve. If the member becomes ineligible to serve for the following reasons, VSI installments continue for the remaining period authorized if:

1. The separation or transfer is required by reason of the age or number of years service of the member,

2. The separation or transfer is required by reason of failure of selection for promotion or medical disqualification of the member, except in a case in which the Secretary of Defense or Secretary of Transportation determines that the basis of the separation or transfer is a result of a deliberate action by the member with the intent to avoid retention in the Ready Reserve or Standby Reserve, or

3. In the case of separation, the member is separated from the Reserve Component for appointment or enlistment in or transfer to another Reserve Component of an Armed Force for service in the Ready Reserve or Standby Reserve of that Armed Force.”

2. Revise bibliography as follows:

Paragraph

350801F

Citation

10 U.S.C. 1175(a)(2)

Atch to OASD(FM&P)

Memo, 3 Jan 1992,

Para C2

Public Law 105-261,

Section 563, of 17 Oct 1998